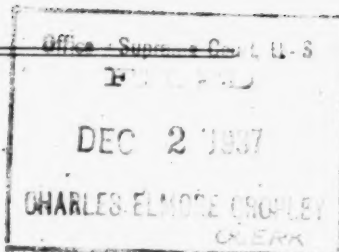


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IN THE
Supreme Court of the United States,

OCTOBER TERM 1937.

No. 72.

CROWN CORK & SEAL COMPANY,
Plaintiff-Petitioner,
v.

FERDINAND GUTMANN & CO.,
Defendant-Respondent.

BRIEF FOR DEFENDANT-RESPONDENT.

WILLIAM E. WARLAND,
FRANCIS H. WARLAND,
NATHANIEL L. LEEK,

Counsel for Defendant-Respondent.

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CROWN CORK & SEAL COMPANY, INC.,
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VS.

FERDINAND GUTMANN & CO.,
Defendant-Respondent.

No. 72

BRIEF FOR DEFENDANT-RESPONDENT.

Petitioner filed an application for a writ of certiorari to review a decision of the Court of Appeals, Second Circuit, in regard to certain patents, alleging conflict of decision between different Circuit Courts of Appeal, which application was granted by this Court on October 11th, 1937. The decision of the Circuit Court of Appeals shows that originally the suit was brought on six patents, four of which for articles were held invalid by the Courts below. The only patents, therefore, involved in this appeal are the two method patents to Warth, viz., reissue patent No. 19,117, held not infringed by the Circuit Court of Appeals, the parent application of that patent, No. 1,788,260, and its two alleged divisions, one of which is Patent No. 1,967,195 held invalid by that Court.

While petitioner's brief states the main facts in the case, it does not fully set forth all the facts which we believe support the findings of laches and abandonment made by the Circuit Court of Appeals.

It is thought that a detailed statement of the proceedings in the Patent Office relating to the patents involved is necessary and will be helpful, and such a statement is accordingly set out under each patent and each alleged divisional application.

The Patent Office proceedings on the application Ser. No. 159,743 for Patent 1,788,260 (the original of reissue 19,117).

The application which resulted in Patent 1,788,260, (original of the re-issue), was filed on January 7th, 1927. It stated that the invention was for a method of producing closures of the type in which a sealing disc has a metal foil facing (pp. 1244-5, Rec.). The specification as filed stated, (p. 1246, Rec.):

"In carrying out the invention according to what is now considered the best practice, the coating will be softened by heat after the crown is assembled. This may be accomplished in any suitable manner, as by a heated plunger or by a plunger and heated table."

It also contained the following statement:

"It may be desirable to secure the metal foil spot in position, prior to the heat and pressure steps, sufficiently to prevent dislodgment of the spot, during any interval between assembling and final sticking. This may be accomplished, for example, by preheating the assembled crown, to soften the coating as soon as the metal foil spot is deposited."

As filed, it contained six method claims and three article claims for an *adhesive*. The method claims are found at pages 1247/8 of the record.

The first Office action, (p. 1250, Rec.) required division between the method claims and the claims for the adhesive. On March 14th, 1928, (p. 1251, Rec.) the claims to the adhesive were cancelled, with the statement "the subject matter thereof being reserved for divisional application."

On January 11th, 1929 (p. 1253, Rec.) the method claims were rejected by the Patent Office, the Examiner stating:

"Claims 1 to 6 are rejected on any of the references cited which disclose the coating of a metallic foil with an adhesive which is rendered soft by heat, applying the

coated metal to cork and holding under pressure until the adhesive hardens."

The Office letter also stated that a drawing was required, but need not be furnished until some allowable matter was found in the application.

An amendment was filed on June 26th, 1929 cancelling claims 1, 4 and 6; amending claim 5 by inserting "cutting a facing spot from the coated foil"; and inserting—metal foil spot—in lieu of "coated metal foil."

The remarks accompanying the amendment emphasized the advantage of the thermoplastically coated strip.

On February 4th, 1930 the application was finally rejected (p. 1256, Rec.). On July 18th, 1930, a notice of appeal to the Board of Appeals was filed by applicant (p. 1257, Rec.).

Applicant's attorneys, after an interview with the Examiner and on November 25th, 1930, filed a request with the Board of Appeals for the dismissal of the appeal on the ground that the Examiner had allowed one claim. The original method claims were all cancelled by an amendment filed December 3/30 (pp. 1265-1274) and one narrow claim, found at page 1275 of the record was inserted which is now claim 1 of the patent and also claim 1 of re-issue 19,117 involved in this suit. The decision of the Board approving dismissal of the appeal on the ground that the Examiner had found a single claim allowable is found at page 1264 of the record (See also p. 1285). That claim was filed December 3rd, 1930.

That amendment greatly enlarged the specification and it deliberately cancelled, without any requirement by the Examiner, the matter we have quoted on page 2 of the brief, *supra*, viz:

"It may be desirable to secure the metal foil * * * by preheating the assembled crown, etc."

A drawing (that shown in the issued patent) was filed with the amendment showing the heated plunger and heated table only.

Subsequently on December 11th an amendment was made inserting an additional claim 2 which is the same as claim 1 with the exception that it was limited to the use of metal foil spot material. The amendment accompanying it contained the following (p. 1287 Rec.) :

"The foregoing claim contains all of the limitations of the claim allowed, but is somewhat more specific etc."

The case was allowed on December 11th, 1930 and the patent issued on January 6th, 1931 without any reference to the preheating of the cork which had been cancelled on December 3rd, and with two claims only, viz., 1 and 2.

File Wrapper History of Re-Issue Patent. 19,117.

The application for re-issue of original patent 1,788,260 (just discussed) was filed on January 23rd, 1934.

The reasons given in the petition for re-issue were that there was an error in the specification to the effect that the drying time of the strip was thirty minutes when it should have been three minutes and further that the step of cooling under pressure had been omitted (p. 1159 Rec.).

There was no allegation that original claims 1 and 2 were in any way inaccurate. There was no allegation that they did not protect the invention.

Two more claims 3 and 4 were added, each of which were the same as original claims 1 and 2 with the addition of the cooling step under pressure. The re-issue was granted March 20th, 1934 (p. 547 Rec.)

The claims in suit in Re-issue 19,117 are claim 1, which is the same as claim 1 of Patent No. 1,788,260 and claim 3, which is the same with the additional feature of cooling under pressure.

Proceedings in the Patent Office in Warth Application 494,201 filed November 7th, 1930.

This application is referred to on the face of the preheating patent 1,967,195 and purports to be a division of Serial 159,743, filed January 7th, 1927, which resulted in Patent No. 1,788,260 dated January 6th, 1931 (the original of the re-issue). Serial 494,201 disclosed the preheating step (p. 1674, Rec.) quoted on page 2 of the brief *supra*, (which was voluntarily cancelled from 159,743 on December 3rd, 1930), but *did not claim it*.

The invention in Serial No. 494,201 is an entirely different invention from either patent 1,788,260 or 1,967,195. Both of those patents are for a method and the claims in both patents are method claims.

Serial 494,201, however, is for an article of manufacture, viz., "Bottle Cap Spot Material" (p. 1675, Rec.). As filed, it had a single claim reading in part as follows:

"As a new article of manufacture, laminated material in sheet or strip form for the spotting of cushion discs of caps and comprising a layer of water-proof adhesive which is hard at room temperature, etc."

The first Office action dated April 27th, 1931 (p. 1677, Rec.) rejected the claim as obviously fully met by certain patents and stated:

"This case appears devoid of invention and should be prepared for a final action."

The case was amended on June 16th, 1931 by enlarging the specification and inserting a drawing showing the method of coating the strip. Figs. 3 and 4 of the drawing show a heated plunger and the specification stated (p. 1686, Rec.) that "the punch 20 may be maintained at elevated temperatures, as by means of a burner 23, etc." That is the same drawing and description of the heated plunger as appears in Patent 1,788,260 and in the re-issue, and omitted any showing relating to preheating.

The Patent Office, on December 17th, 1931 (p. 1694, Rec.) again rejected the application on further references and said "This case should be prepared for final action."

The specification was further amended and arguments made for patentability and action was suspended in view of an interference on another application. On January 31st, 1933 another amendment to the specification was put in with two claims for strip material. Those claims were finally allowed on February 2nd, 1933 (p. 1707, Rec.). On the same date the first of the two allowed claims was cancelled for the reason that it was transferred to applicant's co-pending case Serial No. 414,614 (p. 1708, Rec.). Serial 414,614 resulted in Patent 1,899,782 for strip material. That patent was held invalid by the District Court (p. 1781, Rec.) and no appeal taken therefrom (Erroneously called 1,899,762, p. 1830, Rec.). *Serial 494,201 never at any time claimed any method of any kind.*

Application 494,201 was allowed to lapse for non-payment of the final fee and subsequently renewed (p. 1715, Rec.) Other claims were put in, all for strip material. The case was again allowed to lapse for non-payment of the final fee. It was ultimately abandoned and no patent ever issued on it (p. 1728, Rec.).

Proceedings in the Patent Office Re Patent No. 1,967,195 (the "preheating method" patent) and the interference in which it was involved.

The application for this patent was filed on April 4th, 1933. It was accompanied with a letter (p. 1442, Rec.) from applicant's attorney requesting an interference with the Johnson Patent No. 1,852,578 granted April 5th, 1932, and said, with reference to the accompanying application,

"Attention is called to the fact that claims 1, 2 and 3 are respectively claims 28, 29 and 30 of the patent to Johnson No. 1,852,578 granted April 5th, 1932."

The letter also stated (referring to issued patent 1,788,260) :

"It is to be noted that the issued patent does not disclose the preheating of the crown or pad within the crown. Furthermore, it is to be noted that the said patent was cited by the Examiner against a broader claim (35) presented by Johnson and the said claim was cancelled. However, claims 28, 29 and 30 were allowed over the disclosure of the Warth patent No. 1,788,260."

The three *method* claims of the Johnson patent only were copied by Warth. No attempt was made to copy the twenty-seven apparatus claims of the Johnson patent.

The application as filed also contained a fourth claim which had an apparatus limitation. That claim was cancelled by the requirement of the Examiner (p. 1445, Rec.) because it read upon the patent to Alberti 1,401,300 (p. 1205, Rec.) and the interference was declared.

It appears from the decision of the Examiner of Interferences, (Pet.'s Ex. 85, p. 660, Rec.) that after the declaration of the interference Warth made a motion to shift the burden of proof in order to obtain the filing date of January 7th, 1927 of application 159,743 (Pat. 1,788,260) (p. 332, Rec.). It was denied upon the ground that the disclosure of 159,743 would not support the counts in issue (p. 332, Rec.). The first decision of the Examiner of Interferences is not in evidence, but is dated October 2nd, 1933 (p. 333, Rec.). After that adverse decision, petitioner purchased the Johnson patent and took an assignment from Johnson dated December 12th, 1933 (pp. 333 and 925-6, Rec.).

Subsequently to the purchase from Johnson by petitioner of the Johnson patent on December 12th, 1933 and on March 16th, 1934 attorneys for Warth and Johnson made a stipulation to the effect that the record at final hearing and on appeal should consist of three affidavits. That stipulated record is found at page 1615, Record. At final hearing on the stipulated record (pp. 660 and 664, Rec.) the Examiner of Interferences reversed his prior holding and awarded priority to Warth.

The assignment from Johnson to Petitioner was never recorded (p. 465, Rec.).

Further facts relating to this interference (*Warth v. Johnson* No. 66201) are set forth on page 36 *et seq.* of this brief *infra*.

After the interference was decided in favor of Warth and on May 15th, 1934, the Patent Office, in a letter to Warth's attorneys (p. 1450, Rec.) said:

"The step of heating the pads and the caps called for in claims 1, 2 and 3 should be suitably illustrated in the drawings."

On June 19th, 1934 (p. 1451, Rec.) a drawing was filed containing Figs. 7 and 8 which show means of applying heat to the sealing pads for preheating.

The amendment of June 22nd, 1934 (pp. 1462-3, Rec.) under the provisions of Rule 78, amended the specification by inserting further matter as to preheating the cushion disc or pad in the metal shell.

ARGUMENT.

POINT I.

Laches and Abandonment.

Petitioner's position in regard to the decisions of this Court in the cases of *Webster vs. Splitdorf* and *Chapman vs. Wintroath* as they relate to the above points are set forth in the Specification of Errors appearing on page 13 of the brief for Petitioner and the "Argument" that follows.

It is respondent's position that any conflict in the interpretation of the rule in regard to divisional applications laid down by this Court in *Webster vs. Splitdorf*, *supra*, is more apparent than real, and is due to the fact that said rule is sufficiently flexible to make it applicable to widely differing factual situations.

In any event, we consider the question of conflict moot in the case at bar for the reason that, as we read the opinion of the Court of Appeals, *Webster vs. Splitdorf, supra*, was not cited in support of any arbitrarily fixed time limitation which might be considered to apply to the filing of the alleged divisional applications herein. The resemblance between the *Splitdorf* case and the instant case lies in the fact that in each the inventor deliberately failed to assert a claim while having ample time and opportunity to do so, and only filed his divisional application after another party had obtained a patent for the invention. In each case the action of the inventor was due to "an exigent afterthought, rather than a logical development of the original application". *Webster vs. Splitdorf, supra*, at page 264 U. S. pages 463 at 466.

In other words the Court of Appeals based its decision squarely on the ground that the *facts* conclusively established that Warth had intentionally abandoned his invention. This is apparent not only from a careful reading of the opinion below, but the same Court in the case of *Western Electric vs. General Talking Pictures Corp.*, 91 Fed. (2d) 922, (Adv. sheets), referring to this case, so stated (p. 927),

"In the Crown Cork & Seal Co. case, *supra*, an adverse patent for the same invention had issued to a third party before the divisional application for the patent in suit was applied for. There also the patentee had not only deliberately cancelled the disclosure of the invention from the specification of his original application, but had also cancelled the claims which were sufficiently broad to cover the invention. The patentee had really abandoned the invention, and we said, 'might never have considered the subject worth claiming as an invention' had a patent for the invention not issued to another * * *."

"We also pointed out a distinction to be made between this case and the Crown Cork & Seal Co. case by saying 'But, in the case at bar, for a period of more than two years Warth apparently did not wish to claim the preheating method, having deliberately cancelled the preheating specification from his original application and shaped his claims so as to exclude it and his patent having been granted' January 6, 1935."

(1935 is a printer's error as the Record in this case, and in the original decision of the Court of Appeals, shows the correct date to be January 6th, 1931.)

We submit that Warth's conduct of the proceedings in the Patent Office on the application for Patent. No. 1,788,260 (the original of the re-issue 19,117) set forth fully (pp. 2/4 *supra*), on the re-issue itself, and the so-called divisional application 494,201 (pp. 5/6 *supra*) shows a deliberate abandonment on the part of Warth of any intention to assert his right to claims for the preheating step, and made it impossible for him to obtain such claims in any subsequent patent.

Warth's failure, voluntarily, to argue the appeal which he had taken from the Examiners final rejection on the art, pages 2/4 *supra*, in the application for patent 1,788,260 and assert his right, by prosecution of the appeal to attempt to obtain claims for preheating and in place thereof cancelling the claims and disclosure, and permitting the patent to issue without them, not only estops him from making those claims as a matter of law, but indicates an INTENT to abandon them. We temporarily defer discussion of the alleged divisional applications.

There are other indications of this intent. While conducting the application for patent 1,788,260, Warth was more interested in the *Strip Material* than in the *method of applying the heat*. Warth filed an amendment June 28, 1929, page 1255. Record, stating:

"The Examiner states that any of the references discloses the use of an adhesive rendered soft by heat and applying under pressure. But applicant is not claiming anything so broad as that. *None of the references discloses coating foil with a substance of the characteristics mentioned, drying the coating to render it non-tacky, cutting a spot from the coated foil and assembling by heat and pressure.*"¹

¹ Later, in the allowed claim, Warth further restricted his right to a particular manner of applying heat and pressure, to wit, "applying *simultaneously* to the spot pressure and sufficient heat etc." thus deliberately disclaiming all other ways of applying the spot to the cork.

The arguments and the lengthy amendment made on Dec. 3, 1930, when the description and broad claims covering pre-heating were cancelled all stressed the undesirable method previously used of cutting the center spots from two separate sheets of gutta percha and foil material and the great advantage of using the thermoplastically coated strip. It was on the theory that the invention consisted in the method of using a thermoplastically coated strip of cap material instead of separate strips of gutta percha and foil or paper that the Patent Office was induced to allow the application. This appears also from the "remarks" in said amendment filed December 3rd, 1930 (pp. 1265-1283, Rec.); especially the matter on page 1278 in regard to the "primary" and "secondary" concepts of the invention, stating them to be the strip, and the enumeration of advantages on page 1280, Record to the same effect.¹

Having previously cancelled his adhesive claims in response to a requirement for division (p. 1250, Rec.) Warth was, obviously, glad to take what little he could get in regard to a limited claim for a heating method and avoid the risk of receiving nothing as a result of an appeal.

¹"The applicant's invention, from the standpoint of conception, consists in three steps. First, he perceived that the former practices of using (a) paste or glue, or (b) a separate strip of adhesive tissue, were cumbersome and objectionable. He saw the objections and set out to overcome them. The second step in his invention was to supply the medium and method by which these objections might be eliminated. In connection with the second step, he supplied a material of laminated character having (a) one exposed surface which is acid-resistant and gas impervious, and (b) another exposed surface with a thin coating of waterproof adhesive which softens under the application of heat, but is normally hard, so that the material can be conveniently handled. Thirdly, he went a step further and provided a complete method which involves the use of this material in such a way that caps might be more economically produced and without the defects of caps produced according to the earlier methods." (p. 1279, Rec.)

The same amendment (on p. 1280, Rec.) enumerated ten advantages of the invention, nine of which were directed to the advantages of the coated strip and only the tenth referred to heat and pressure.

The decision of this Court in *McClain v. Ortmyer*, 141 U. S. 419, is peculiarly applicable to the facts in this case. There the Court said at page 423:

"Nothing is better settled in the law of patents than that the patentee may claim the whole or only part of his invention, and that, if he only describe and claim a part, he is presumed to have abandoned the residue to the public. The object of the patent law in requiring the patentee to 'particularly point out and distinctly claim the part, improvement or combination which he claims as his invention or discovery,' is not only to secure to him all to which he is entitled, but to apprise the public of what is still open to them."

Warth by having deliberately cancelled and failed to claim that part of his so-called invention relating to preliminarily heating the cork prior to the heat and pressure step as a means of obtaining the necessary heat, clearly, under the above authorities, dedicated that method to the public. To the same effect as *McClain vs. Ortmyer* are the following decisions of this Court.

This Court said in the case of *Deering vs. Winona Harvester Works*, 155 U. S. 286 at page 296,

"It is possible that Olin was entitled to a broader claim than that to which he limited himself; but if he described and claimed only a part of his invention, he is presumed to have abandoned the residue to the public. *McClain vs. Ortmyer*, 141 U. S. 419."

In the case of *In re Ellis*, 86 F. R. (2d) 412, applicant made an application which was rejected. He appealed therefrom unsuccessfully and, subsequently, brought a suit under Section 4915 which he failed to prosecute. The Patent Office, and Court of Customs and Patent Appeals, both held he was estopped from making claims of the same scope in a subsequent application because he voluntarily abandoned the suit under 4915.

In the case of *In re Becker*, 74 F. R. (2d) 306, the Court of Customs and Patent Appeals held that the decision of

the Commissioner of Patents rejecting certain claims in an earlier application was *res adjudicata* on the issue of patentability of substantially similar claims in a subsequent application. The following cases are to the same effect,

Ex parte Crane, 32 Pat. Q. 80;

In re Stanton, 86 F. R. (2d) 337;

In re Crowell, 79 F. R. (2d) 746;

In re Murray, 64 F. R. (2d) 788;

In re Woodsome & Swan, 1926 C. D. 176; 10 F. (2d) 1003 (Court of Appeals District of Columbia).

Obviously this rule would apply with great force in a case where an appeal taken from a final rejection on the Art without any question of requirement for division was voluntarily withdrawn and the rejection acquiesced in by the applicant.

As further showing Warth's intention to abandon the preheating method, attention is called to the fact that two other applications entitled "Bottle Cap and Method of Making Same" were filed by him, one bearing Serial No. 360,895 on May 6th, 1929 (p. 1296, Rec.) and another bearing Serial No. 492,546 (p. 735, Rec.) on November 7th, 1930, in each of which applications the method of applying the necessary heat by means of the cutting plunger is shown. The drawings as to the heating apparatus being the same as in Patent 1,788,260 and the Reissue. In both of those applications method claims were made and cancelled because the Patent Office said the Cap was a separate invention from the method (pp. 757 and 1316, Rec.). No subsequent applications were ever made for these cancelled method claims so far as the record shows.

We submit that, if Warth had considered the preheating step valuable, he could easily and would have inserted a description and claims for the same in either of the two said applications.

The preheating Patent 1,967,195 is not a proper division of either application Ser. No. 159,473 filed Jan. 7, 1927 on which the parent Patent 1,788,260 issued, or of application Ser. No. 494,201, the alleged division thereof.

While the "preheating patent" (1,967,195) states on its face it is a division of 494,201 which is in turn a division of 159,473, such statement is clearly erroneous.

Patent Office rules 35 to 37 and 41 and 43 inclusive,* clearly define what must be done to obtain a valid divisional patent. The record shows Warth did not comply with those rules or even attempt to do so.

Petitioner's brief states (p. 7) that Ser. 494,201 (the application for strip material) was filed as the result of a Patent Office requirement for division in application for patent 1,788,260 and cited page 1250 of the record. We submit that the record does not justify the conclusion drawn by petitioner.

While it is true that the Office required division, the letter calling for same, referred to in plaintiff's brief and appearing on page 1250 of the record, required division between the adhesive material *per se* claimed in application 159,473 (Pat. No. 1,788,260) and the method claims in said application and **most distinctly it did not call for any division between the different steps involved in the heating method claims.**

Application 494,201, as filed, did not even comply with this requirement for the reason that the claims in said alleged divisional application were not directed to an adhesive *per se*, as were the claims in 159,473, the matter in regard to which the Patent Office insisted upon division. The claims were directed to an adhesively coated *strip*. It is true that the specification contained a description of the steps in the heating method, including preheating, but they were merely inserted as describing the way in which the strip material,

* See Appendix, pages 56/7.

claimed in that application, was to be used and were not made the basis of any claim.

In other words, in the application Ser. 159,743 (Pat. 1,788,260) the Examiner called for division between the method of applying the adhesive strips and the adhesive to be applied to the strip. No division was required in regard to any part of the *heating* method and the alleged divisional application as filed, which contained exactly the same disclosure as the parent patent, practically without change, not only did not claim any part of the heating method, but also failed to make the claims for an adhesive *per se* which had been taken out of the parent application pursuant to the requirement for division. **It claimed a third and distinct invention viz: strip material.** It is quite evident, therefore, that it cannot be considered a true division of application 159,473; certainly not the division called for by the Office action appearing in the Record. Serial 494,201 was ultimately abandoned as appears on pages 5/6, *supra*.

On April 4th, 1933, two years and five months after the filing of this application 494,201 for strip material, and two years and three months after the grant of patent 1,788,260 (the original of reissue 19,117, the patent in suit) and six years and three months after filing the application of Jan. 7, 1927 (Ser. 159,743) containing the preheating disclosure, Warth filed the application which resulted in Patent No. 1,967,195, inserting therein preheating claims, and was allowed not only the filing date of application 494,201 for strip material, but that of the original application.

Pursuant to Rule 43 of the Patent Office, Warth, in the amendment to application 159,473 cancelling the adhesive claims in response to the requirement for division, stated they were cancelled for that purpose, thus reserving the right to file a true divisional application to obtain *such claims* for the adhesive *per se* (p. 1251, Rec.).

This, of course, was not notice to any one inspecting the file that a divisional application was intended in regard to

any of the heating steps, claims for which were retained in the parent application. It is clear that Warth did not follow the rules of the Patent Office referring to divisional application.

It follows that neither petitioner's argument nor the decisions relied on by him on the question of divisional applications have the slightest application to the facts of this case.

Mere disclosure of invention in the Patent Office without a claim for the subject of the invention does not permit a patentee to subsequently claim the invention long afterwards.

It is the position of petitioner that because it had continuously on file an application disclosing the preheating step, although without any claims therefor, it was entitled to make the claims for that step and get the date of January 7th, 1927 when the application first disclosing that preheating step was filed and consequently there was no abandonment. The District Court so found and in support of its holding cited the case of *Writer v. Kiwad*, 63 F. R. (2d) 259. (Petitioner refers to that case on page 8 of its brief.)

With the utmost deference to the District Court, it is submitted that the facts in the cited case are in no way analogous to the facts in the case at bar and the case has not the slightest bearing. In the *Writer v. Kiwad* case Kiwad filed an application in 1926 and claimed the invention in issue, but pursuant to a requirement of division, cancelled the claims, the drawing and descriptive matter in 1927. The *Writer* application was filed in November, 1928 and matured into a patent in August, 1929. Kiwad did not file his divisional application until December, 1929 after his attention was called to the *Writer* patent. The interference was declared on March 18th, 1930.

It will be seen that the case is entirely and radically different from the case at bar for the reason that Kiwad's parent application had not matured into a patent before his divi-

sional case was filed: The claims in the Kiwad parent application were not allowed until April, 1930, four months after the filing of his divisional application (p. 264).

The Circuit Court of Appeals in the case at bar followed what we understand to be the well settled rule, viz., that a divisional application to be availed of must be for the same invention and must claim it. The Circuit Court of Appeals said (p. 1837, Rec.), in referring to Warth's application for strip material Ser. 494,201:

"Previously, on November 7th, 1930, Warth had filed a divisional application No. 494,201 to which he had transferred the preheating method; it claimed only the spot material strip as an article of manufacture. As we have previously shown, Warth's patents Nos. 1,788,260 and re-issue 19,117 contained no claims broad enough to cover preheating. Hence there was no claim for the preheating method on file in the Patent Office from December 3rd, 1930 until April 4th, 1933 when Warth applied by his second divisional application for the preheating patent."

It would seem elementary that a man who makes an invention should assert his right to that invention from the outset and take all the steps the law allows to protect it. This Court said in the case of *Milburn Co. v. Davis, etc.*, 270 U. S. 390 at page 401:

"he is not an inventor in the sense of the statute unless he makes a claim."

In the case of *Jones v. Larter*, 1900 C. D. 111; 92 O. G. 383, the Commissioner of Patents said at page 115:

"The presumption of dedication to the public by disclosure in a patent may, it is true, under certain circumstances be overcome by having a concurrently pending application claiming it; but *I know of no authority for holding that it is overcome by an application which does not and was not intended to claim it*; merely because the claims are inserted therein long after the patent on the other case issues."

The Commissioner in his decision cited:

James v. Campbell, 104 U. S. 356, 382;

Miller v. Brass Co., 104 U. S. 350;

Mahn v. Harwood, 112 U. S. 354.

That case (*Jones v. Larter*) was followed and quoted from in the case of *Union Typewriter v. L. C. Smith & Bros.*, 173 F. R. 288, 297, affirmed by the C. C. A. 3rd Cir. in 181 F. R. 968.

It has been pointed out that Serial No. 494,201 was for Bottle Cap Spot Material, an article of manufacture, the original claim and subsequent claims were all directed to the strip material. There was *never any claim for a method of any kind in that application.*

In the case of *Ex parte Stimson*, 1916 C. D. page 20; 226 O. G. 699, the Commissioner of Patents said:

"It appears from the remarks accompanying the amendment that when the application was prepared the process claims were deliberately omitted. The inventions *are so widely different* that it would be necessary to support the process claims by a supplemental oath.

"No reason is seen for permitting an applicant to nullify an election deliberately made and after the application has been prosecuted to an allowance *on one invention present claims for an entirely different invention even for the purpose of interference.*"

After a patent has once issued, a patentee cannot subsequently file another application and call it a division of the issued patent.

In the case at bar, Patent 1,788,260 (the original of re-issue 19,117 in suit) issued on January 6th, 1931. The "preheating method" patent 1,967,195 in controversy purports to be a division of that application. The application for the "preheating method" was not filed until April 4th, 1933, more than two years after the issuance of Patent 1,788,260.

The question is thus presented whether after a patent has once issued an application filed subsequent to the issuance can be considered a division and obtain the date of the parent application.

The question is one that, so far as we have been able to ascertain, has not been squarely passed upon by this Court.

It would seem on principle that after a patent issues for an invention, the inventor should not be allowed to file an independent application as was done here, and obtain the filing date of the original. It would seem that such practice might tend to indefinitely extend the monopoly.

The decisions of the lower courts and of the Patent Office seem to be clearly against such practice. In the case of *Gladding-McBean Corp. v. N. Clark & Sons*, 16 F. (2d) 50, (C. C. A. 9) two patents to McBean were involved. The first, No. 1,184,254 was applied for May 17th, 1915, issued May 23rd, 1916 for a mold or die for manufacturing roofing tiles. The second, No. 1,289,492, applied for January 8th, 1917, issued December 31st, 1918 was for a process of making tiles shown in the first patent and for the tile itself as an article of manufacture produced by the first patent. The Court held the second patent void and said (p. 51):

"In the second patent, that for the method and for the article, the patentee stated his purpose to be to enable the tiles to be made economically and in quantities, under such conditions that sagging or warping while the material is in the plastic state is overcome. The drawings in the second and first patents, and the descriptions of the process and products are very similar. In the first patent, however, although the process and article produced were described, McBean only claimed the die. The result is that the process and the article became dedicated to the public, and the second patent is void, unless he filed a divisional application for the method and product, while the original application was pending and before patent thereon was issued. The rule is general and well established that a patentee cannot include in a subsequent patent any invention embraced or disclosed in a prior one granted

to himself. By his own act he has made it public property. *Mahn v. Harwood*, 112 U. S. 354, 5 S. C. T. 174, 28 L. Ed. 665."

In *re Spitteler and Krische*, 1908 C. D. 374, a patent had issued and after its issue it was sought to obtain its date for a divisional application on matter which was disclosed in the original patent as filed. The Court of Appeals of the District of Columbia said (p. 376):

"But having amended that application so as to conform to the ruling of the Examiner, it was merged and the patent issued thereon. After that there was no application pending in the Office as a foundation for a division. The proceeding having been closed by the issue of the patent, there was nothing to be continued. The rule which permits a divisional application to relate back to the filing date of the original which also discloses its subject matter, as long as it remains open in the Patent Office, is a very liberal one that sometimes works hardship upon intermediate inventors, and it ought not to be extended to cases not clearly within it."

The case of *Wainwright vs. Parker*, 1909 C. D. 379, 142 O. G. 1116, is quite similar to the facts disclosed by the present record. There an application as originally filed disclosed four different species.

Claims sufficient in scope to cover all were originally included. After repeated objections the application was limited to one of the species and the drawing, specification and claims were amended, without appeal, to eliminate all reference to the device involved in the interference.

The application was allowed and went to patent. Four years afterwards the applicant filed the application which became involved in interference and sought to get the date of his original application. That was denied by the Court of Appeals and it said in its opinion (p. 380):

"His original application having eventuated into a patent, there was nothing left pending before the Patent Office upon which it could act, or to which the later application could attach."

To the same effect are the following cases:

Conover v. Downs, 35 F. R. (2d) 59;
Model Bottling Machinery Co. v. Anheuser Busch
Brewing Assn., 190 F. 573 C. C. A. 8th Circuit;
Hayes-Young Tie Plate Co. v. St. Louis Transit Co.,
 137 F. 80.

The case of *Overland Co. v. Packard Co.*, 274 U. S. 417, was cited by the District Court in its opinion and is relied on by petitioner in its brief here. It is submitted that the situation disclosed in that case is so radically different from that in the present case that *Overland Co. v. Packard Co.* has absolutely no application.

In that case there were two questions certified to this court. The first one was whether the applicant who cancelled a claim which was finally rejected on May 20, 1911 abandoned such claim or estopped himself from thereafter seeking it through a new application. The claim appeared in an application filed on Sept. 6, 1901 and the patent issued on Jan. 21, 1913. The claim was cancelled on May 17, 1912. The applicant cancelled the claim, stating it was his intention to file a divisional application, and, less than four months after the cancellation, the claim was filed in a divisional application before the parent patent issued in 1913.

This court answered the first question in the negative. It is true that the court did state that after an applicant had cancelled a claim the Commissioner of Patents might have refused to accept it in another application because the cancellation was made without the consent or suggestion of the Office, but the fact that the Commissioner in the exercise of his discretion did permit a new application was a waiver of his right to refuse to accept it, and the patent issued thereon was therefore valid. The court in its decision cited several cases, on pages 420 and 421 of its opinion, upon the subject of the application of the principle of *res adjudicata* to proceedings in the Patent Office which sustained its conclusion.

The second question certified to the court in the *Overland* case was whether a patentee should be penalized for waiting the full statutory time before amending his application. That question was also answered in the negative.

It is true that in *Overland Co. v. Packard Co.*, a disclosure of the subject of the claim in issue was made in an application filed by the patentee on August 25, 1899 which resulted in a patent on July 13, 1900. In that application the patent office required division and the applicant cancelled the description and drawing which supported such claims and the patent issued in 1900 merely covered the remaining claims. On September 6, 1901 he filed another application not a divisional, disclosing and claiming the subject matter in the suit. There was thus an interval of fourteen months between the issuance of the patent in July and September 6, 1901 on which the patent in suit was based. As to that phase of the case, it would seem to resemble somewhat the case at bar. The differences, however, are that Cowles, the inventor in the *Packard* case, promptly indicated an intention to claim and protect his invention instead of deliberately abandoning, the same, to obtain a restricted patent as Warth did. The 1901 application was filed 14 months after the issue of the first patent applied for in 1899, and Cowles stated, when cancelling the claims in the second application, that he intended to file a division claiming the subject matter, which he did within 4 months. In the meantime no intervening rights had vested in any third party.

The Alleged Inadvertent Issue of Johnson Patent No. 1,852,578.

Petitioner on pages 8/9, 34/5 of its brief says the issue of the Johnson patent was an inadvertence on the part of the Patent Office and an interference should have been declared by the Patent Office between the application for the Johnson patent filed November 26th, 1929, and the application for the parent Warth patent No. 1,788,260. This is

the first time that petitioner has raised that issue. In all its various briefs before the District Court, the Circuit Court of Appeals, and its briefs on the application for the writ of certiorari, petitioner never raised this point.

The Record shows clearly, however, that there is no foundation for this contention and that the Johnson patent is properly and regularly issued.

Petitioner has overlooked Rules 93 and 94 of the Patent Office which provide that interferences are instituted only between applications "claiming substantially the same patentable invention and may be instituted as soon as it is determined that *common patentable subject matter is claimed* in a plurality of applications, etc."

The certified copy of the file wrapper of the Johnson patent put in evidence by petitioner (Ex. 87, p. 676, Rec.) shows that it was filed on November 26th, 1929 and the first Office action therein is dated September 10th, 1930 (p. 715, Rec.) and stated that certain claims, including the three claims in controversy "are allowable as at present advised."

All of the claims in Serial No. 159,743 (the application resulting in Patent No. 1,788,260) had been finally rejected by the Primary Examiner on February 4th, 1930 (p. 1256, Rec.). An appeal was filed to the Board of Appeals by applicant's attorneys on July 18th, 1930. Consequently, when the Examiner in September 1930 rendered his first action on the Johnson patent there were no allowable claims pending in the Warth application. **Certainly the Examiner could not be expected to declare an interference between an application and another application in which the claims had been held unpatentable by the Office, and on which an appeal was pending on the question of patentability.**

As has been pointed out the description and claims on appeal in the Warth application for the preheating step were cancelled and abandoned on December 3rd, 1930.

The next Office action in the Johnson application is dated July 30th, 1931. At that time the Warth patent had issued without any disclosure or claims for the preheating method.

Certainly, the Examiner would not be justified in declaring an interference between an application and an issued patent, the file of which showed that the matter claimed by the second applicant had been deliberately and voluntarily cancelled and eliminated from the first application without any notice of reservation of its being claimed in another application. In other words, when the Examiner in charge of the Johnson application made his interference search, there were no method claims of any kind on file in Warth's applications upon which Petitioner relies for continuity. Neither were there any method claims in application numbers 360,895 or 452,596 for bottle cap and method of making same referred to on page 13 *supra* of this brief. On the point that no interference should have been declared attention is called to *Gold vs. Gold*, 34 App. D. C. 229, Com. Dec. 1910, page 269.

It is quite true that in his action of July 30th, 1931 the Examiner rejected claim 35 of Johnson on the Warth Patent No. 1,788,260. An inspection of that claim 35, however, (p. 713, Rec.) shows it contained the statement, "then placing the linings and the caps under heat and pressure to render the adhesive viscous and effect an intimate contact between the linings and pads." That claim was, of course, broad enough to include claims cancelled by Warth in order to obtain the Warth Patent No. 1,788,260 and for that matter was broad enough to read on the patent to McManus No. 1,402,780 and the patent to Alberti, No. 1,401,300 mentioned in the decision of the Examiner of Interferences quoted on page 50 of this brief, *infra*.

It is significant that the Examiner allowed the three claims in controversy over the disclosure of the issued patent to Warth No. 1,788,260.

Publication.

Petitioner states on page 11 of its brief that inasmuch as the disclosure of the preheating step and the claims therefor had been cancelled during the prosecution of Patent No. 1,788,260, obviously, they did not appear in that patent when

it issued on January 6th, 1931 and, consequently, there was no publication of that matter.

It is, of course, true that the cancelled matter did not appear in the issued patent. It is equally true, however, that when a patent issues the entire file wrapper is open to the public. It is a matter of public record.

Ludlam Steel Co. vs. Terry, 37 F. R. (2) 153 at 165.

This Court said in the case of *Mahn vs. Harwood*, 112 U. S. 354 at page 362:

"Whenever it is manifest from the patent itself, compared with the original patent and *cognate documents of record*, or from the facts developed in the case etc."

To the same effect is the case of *James vs. Campbell*, 104 U. S. 356 at page 368.

Anyone looking at the file of Patent No. 1,788,260 immediately after it issued on January 6th, 1931 would see that the preheating disclosure and claims broad enough to include same had been cancelled and under the authorities we have cited on this brief would naturally assume that that matter and any claims therefor were abandoned by the inventor and dedicated to the public. As appears from the Appendix on page 57 of this brief *infra*, Rule 43 of the Patent Office requires that when two or more applications are pending relating to the same invention all showing, but only one claiming the same thing, the application not claiming it must contain reference to the application claiming it. There is no reference made to any co-pending application either in the file of the application for Patent No. 1,788,260 nor in Serial No. 494,201.

This Court said in the case of *Milburn Co. v. Davis etc. Co.*, 270 U. S. 390 at page 402,

"A description that would bar a patent if printed in a periodical or in an issued patent is equally effective in an application so far as reduction to practice goes."

POINT II.

Intervening Rights.

Petitioner says there are no intervening rights and argues that the case is controlled by the decision of this court in *Chapman v. Wintroath* because Warth copied the claims of the Johnson patent within two years of its issue.

Petitioner also says that the District Court found there were no intervening rights because it found that the machines purchased by respondent from Johnson from 1928 up to 1933 had no preheating device, and, inasmuch as the decision of the Circuit Court of Appeals did not in so many words expressly state that it reversed the finding of the District Court, respondent is precluded in this court from referring to the evidence on the subject.

In support of this contention, ^{Petitioner}~~respondent~~ relies upon a decision of this court in the case of *Adamson v. Gilliland*, 242 U. S. 350. That case does not support petitioner's contention but is authority for the proposition that this court will examine a record, even when there were unanimous findings by both the lower courts.

The Court of Appeals expressly reversed the District Court on its finding as to abandonment. It expressly reversed the District Court on the question of infringement of the heated plunger patent (Reissue 19, 117). The situation, therefore, is that of the four judges who have passed on the case, two have held in favor of petitioner on the patents in controversy and two in favor of respondent.

It would seem clear, therefore, that under such circumstances respondent is justified in asking this court to look into the record sufficiently to see whether the findings of fact by the District Court are supported by the evidence. *Berlin Mills Co. v. Proctor & Gamble Co.*, 254 U. S. 156; *Thomson Spot Welder Co. v. Ford Motor Co.*, 265 U. S. 445.

Respondent contends that the finding of the District Court (p. 1803, Rec.) that

"The machines purchased by defendant from Johnson in 1928, had no preheater, and I am convinced that defendant made no further purchase from Johnson until 1933, therefore the defendant has not proved any use of the preheating method, to anticipate the filing date of the first divisional application Nov. 7th, 1930 or the filing date of the second divisional application April 4, 1933"

is not only unsupported by the facts in the record but is clearly contrary to the facts in the record, some of which are documentary and others are impliedly, if not expressly, conceded by petitioners own witnesses and statements in its brief in this Court.

The statement that "defendant made no further purchase from Johnson until 1933" is shown to be incorrect from the following documentary evidence. Respondent's Exhibit Q (pp. 881/2, Rec.) consists of bills from Johnson to respondent dated September 17th, 1928, December 19th, 1928, March 30, 1929 and April 30, 1929 for spotting machines. The words in those bills "extra head, roll feed" show that the machines had the preheating device (XQ's 479/87, pp. 260/61, Rec.).

Even if the machines did not have the preheating device, the purchase of those machines shows the finding of the District Court above quoted that respondent *did not purchase any machines* from Johnson between July 1928 and 1933 is clear error.

It appears from the cross examination of Johnson by petitioner's counsel, pages ~~338~~ and Petitioner's Exhibits 36/7, 172/3, 175/6 pages 609/10, Record that Johnson had made and sold in April, 1928 a center spot machine for the Armstrong Cork Co. which proved unsatisfactory; that it was returned by that company as being unsatisfactory because the tinfoil center spots would not stick and Johnson altered it by tak-

ing the heat out of the cutting punch and preheating the cork. On this point we quote XQ's 115 to 119, found at pages 173 of the Record of Johnson's testimony, as follows:

"XQ115. When you say in this letter that you are going to see what you could do in regard to not having the tin-foil disc stick to the punch, do you recall what that was? A. Yes, I sure do.

XQ116. What was it? A. I took the heat out of the cutting punch altogether and installed two heaters in front of it, and also a space heater I installed before the tin-foil disc was cut and inserted. And that kept the cutting punch cold.

XQ117. And that was done after you wrote this letter of October 5th? A. That was done at that time, you see I had that machine practically completed at that time.

XQ118. You say here you were going to see, 'and I now have to see what I can do in regard to not having the tin-foil disc stick to the punch.' A. Well, that is the word I suppose I used, I was working on it at this time.

XQ119. It was about this time, October 5th, that you put on this pre-heater? A. Yes."

Attention is also directed to the petition for public use proceedings instituted by Johnson during the Warth-Johnson interference and the affidavits attached thereto. Those public use proceedings comprise a petition and affidavit by Johnson, pages 901-9, Record, an affidavit of John O. Seifert, the attorney who prepared the patent application for the Johnson patent, and is to the effect that in January, 1929 he called at Johnson's place and saw in operation a machine having the preheating feature and that the drawings of the application for the Johnson patent as filed correctly described the machine he saw in January, 1929. That affidavit is corroborated by the affidavit of Alfred Krafft, pages 917-18, Record, to the effect that he called at Johnson's place of business in January, 1929, saw the machine and made the drawings of the application of the patent therefor. The

affidavits of Rudolph Fusco, John W. Larson and Charles W. Molander, employees of Johnson, are to the same effect. There is an affidavit from Nicholas Corsi, who is associated with an independent manufacturer, which states that during the month of October, 1930 a firm, the Arrow Bottle Cap Corp., purchased a machine from Johnson having the feature of preheating the cork and that it was made in accordance with patent 1,852,578 to Johnson.

Before the termination of the interference, and after the purchase of the Johnson patent by petitioner, the public use proceedings were terminated and the original petition and affidavit were withdrawn from the Patent Office by stipulation of the parties, page 165, Record. Petitioner itself offered in evidence a certified copy of the file history of the Johnson patent showing it was filed on Nov. 26th, 1929.

It is most improbable and almost impossible to believe that if Johnson found the heated cutting punch impractical and changed to preheating the cork, as shown in his patent, as early as October, 1928 and took steps as early as January, 1929 to apply for a patent, he would have sold to respondent in September and December, 1928, and March and April, 1929, machines which did not have the preheating feature.

The documentary evidence, including petitioner's own exhibit 36/37, the cross-examination of Johnson showing that he abandoned the heated plunger at least as early as October, 1928, the bills to respondent from Johnson from September, 1928 to April, 1929, show beyond question that the Court was in error in holding that none of the machines purchased by petitioner from Johnson between 1928 and 1933 had the preheating device and the decision is clearly against the weight of evidence.

Respondents evidence further shows Test Cohn, pages 214 and 258/9, Record; Rasmussen, page 281, Record; Eisen, page 294, Record; Ketterer, page 200, Record; Respondent's Exhibits NNN to TTT, pages 1519/68, Record, that between Aug. 1928 and the trial of the case Respondent had made by

the preheating method approximately one million gross of caps having a metal foil center spot secured by gutta-percha to one customer, the Goetz Brewery and large quantities to other companies (p. 237, Rec.). All the foregoing evidence shows a clear intervening right on the part of Respondent.

In addition to the intervening rights acquired by respondent by the purchase and use of machines purchased from Johnson in 1928 and 1929, having the preheating method, attention is called to patent #1,921,808 (p. 596, Rec.) issued to Benno Cohn, secretary of respondent. That patent discloses and claims a method of making caps wherein the cork disc is preheated and the cork disc and center spots are all inserted in one machine.

The application for that patent was filed July 20th, 1932, nine months before Warth filed his application on April 4th, 1933 for the alleged divisional preheating method patent in suit.

Petitioner knew in 1930 that Respondent was making and selling Center Spot Caps.

Furthermore as showing intervening rights of respondent and its good faith attention is directed to respondent's Exhibit PPPP, page 1605, Record, a letter from Respondent to Petitioner dated October 10th, 1930, protesting against the representations of Petitioner's salesmen to the effect that the sales of center spot caps by respondent was an infringement of Petitioner's patents. The reply of Petitioner is found at page 1605, Record and is to the effect that no such further statements would be permitted by its salesmen. Respondent relied on this letter of Petitioner and showed it to its customers as proof of the fact that Respondent was "not infringing on anybody's rights" (p. 311/12 Rec.) and in reliance thereon purchased four more machines from Johnson in 1933 (Respt.'s Ex. R, p. 883/6, Rec.).

Petitioner had knowledge in October, 1930, that Respondent was engaged in the manufacture and sale of center spot

caps. It was Petitioner's duty to have then ascertained what method Respondent was using. The Record does not show that there were any manufacturers of center spot machinery other than Johnson and Nagy who had made center spot attachments in 1916 and 1921 (p. 139 and 142/3) for other manufacturers of center spot caps. After that and in Dec. 1930 Petitioner cancelled all reference to preheating.

Petitioner's Exhibit No. 84 (p. 659, Rec.) is a letter dated March 21st, 1933 from petitioner to respondent offering to give respondent a license under five patents, three of which have been held invalid by the courts below in this case.¹ One was not involved in the litigation and the other one was patent 1,788,260, the original of the re-issue. Respondent declined to take a license under these patents. Various interviews were had between the officers of petitioner and respondent looking to some amicable adjustment, several conferences were had between the officers of the respective parties and the officers of the petitioner called at respondent's plant in April and August, 1933 (pp. 222/3, Rec.). The respondent declined to sign a license agreement which was signed by all the other manufacturers in the trade and provided for a fixing of the price by petitioner herein (pp. 1599-1601, Rec.) on the ground that it did not use the subject matter of some of the patents and on the further ground that it had its own patent for a method of manufacture (p. 309, Rec.). That patent is No. 1,921,808 issued to Benno Cohn, application filed July 20th, 1932, patent issued August 8th, 1933. That patent describes and claims the preheating of the cork the same as in the Johnson patent and in the preheating method patent in controversy and differs from the Johnson and Warth patents in one very important particular and that is in the Cohn patent the cork disks are placed in the metal shell and the center spots are applied all in one machine, whereas in the Johnson and Warth and all

¹ That was before the filing of the Warth alleged divisional application on Apr. 4th, 1933 resulting in the preheating method patent.

other prior art machines and patents for applying the center spot, the cork cushion disk is secured in the shell in one machine and the center spot is put on the assembled crown in a different and separate machine.

On August 8th, 1933, the vice-president of petitioner and its counsel visited respondent's plant in another attempt to settle the negotiations (p. 309, Rec.). During that visit they were shown defendant's plant in operation. They saw respondent was using the machine of the Cohn patent which had the preheating device. They were informed and knew that respondent had bought its machines from Johnson. They were given samples of the bottle cap strip material thermoplastically coated which respondent was using and were given caps made by respondent (p. 223, Rec.).

Petitioner's vice-president Fusting testified that petitioner did not know of the use by respondent of a Johnson machine or method until his visit to respondent's plant (p. 521, Rec.). Petitioner could have at any time after the date of that visit on August 8th, 1933, brought suit for infringement on claim 1 of Patent No. 1,788,260 which is claim 1, without change, of the re-issue heated plunger patent in controversy. It did not do so, however. On January 23rd, 1934 it filed its application for re-issue of 1,788,260. It said nothing about and made no attempt to insert claims broad enough to cover the preheating step. On December 12th, 1933, after knowledge that respondent was using the machine of the Johnson patent, petitioner purchased the Johnson patent and took an assignment thereof. It made no attempt to bring suit until after the issue of its patent No. 1,967,195 for the preheating method on July 17th, 1934. The present suit was started in September, 1934.

In *Railway Co. vs. Sayles*, 97 U. S. 554, this Court held that an original specification could not be so enlarged by the filing of a new application, based upon an earlier application: as to appropriate that which had in the meantime gone into public use, or where there has been an adverse intervening right.

Petitioner's Laches Began in March, 1929 When it Bought From Johnson, an Independent Manufacturer of Assembling Machines, Five Machines Constructed in Accordance With Johnson Patent 1,852,578.

There is no dispute that petitioner bought five machines from Johnson between February and July 31st, 1929, the invoices, bills of lading, and correspondence relating thereto are found at pages 888-900 of the Record.

This is admitted in petitioner's brief (p. 22). It was so found by the District Court (p. 1802, Rec.) and held that their purchase by petitioner did not affect its rights covered by the application of January 7th, 1927 for Patent No. 1,788,260 and cited authorities in support of that proposition.

Petitioner refers to this on page 22 of its brief and states:

"Respondent did not contend before the lower courts, nor did either Court find, that petitioner's admitted use of the preheating invention for some years prior to the filing of the Warth divisional application invalidates the patent."

Petitioner is in error in making this statement. Respondent contended most strenuously in the District Court and the Court of Appeals that the purchase of these five machines from Johnson by petitioner in 1929 clearly invalidated the alleged divisional patent for the "preheating" method. *If respondent had not so contended, the District Court would not have gone out of its way to make the finding we have referred to at the beginning of this chapter.* The Circuit Court of Appeals necessarily made no express reference to the subject in its decision for the reason that such reference was unnecessary in view of the fact that the Court of Appeals held the alleged divisional patent invalid by reason of laches and abandonment.

The District Court found, as we read its decision, and petitioner expressly admits (p. 22 of its brief) that these machines shipped from Johnson to petitioner in 1929 had the preheating device. The error in the finding of the District Court lies in the statement that the machines were built on "special order" for petitioner. We assume from that statement of the District Court that it meant petitioner gave Johnson instructions to build the spotting machines with the preheating device. That finding is completely contradicted by petitioner's own acts and the correspondence had with Johnson.

It is clear beyond all question that machines used by both parties are radically different in mechanical construction. The District Court so found (p. 1791, Rec.). That the machines are different is emphasized by the fact already referred to (p. 7, Br., *supra*) that when Warth copied the Johnson method claims for interference purposes, he did not copy the apparatus claims. He could not do so, because he never invented the apparatus of the Johnson patent. It is admitted (p. 32, Petr.'s Br.) and appears in the testimony of Johnson (p. 160, Rec.) that Johnson was an independent manufacturer of assembling machinery and had been so engaged for about thirty-three years. He "designed a great deal of the machinery *which is now in use in this Crown industry*" (p. 176, Rec.). That the machines were bought by petitioner after conversation and correspondence with Johnson as to the machines is shown by petitioner's letter of February 27th, 1929 (p. 891, Rec.) which states:

"Referring to your conversation and correspondence with our Dr. Warth, would suggest that you send us *on approval* the machine for adhering the gutta percha lining to the tin foil. Also the machine for cutting the tin foil and fastening same to the cork washer on finished crowns."

The testimony of petitioner's witnesses Goebel (p. 413, Rec.) and its vice-president Fusting (p. 521, Rec.) admits the purchase of these machines. Both of these witnesses

say the machines were purchased for use in its Canadian plant; that they were shipped from Baltimore to be "tuned up" and then shipped to Canada (p. 423, Rec.).

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Yet Petitioner alleges on page 9 of its brief that there was no necessity for Warth to claim the preheating method until the Johnson Patent came to his attention.

A most significant feature of the transaction is that petitioner did not attain its high production of 520 caps per minute until 1930 after it had bought the Johnson machines (p. 413; Rec.).

The testimony of Fusting (p. 521, Rec.) petitioner's vice-president is to the effect that petitioner always built its own spotting and assembling machinery and the excuse for buying these five machines from Johnson was that petitioner's plant was crowded with work at that time.

We have already adverted to the evidence showing that at least as early as October, 1928, Johnson had discarded the method of heating the plunger and adopted that of preheating the cork and that while his application was not filed until November 26, 1929 his attorney and the draftsman had seen a full sized operating machine for the method of preheating the cork in January, 1929.

It is submitted therefore that petitioner had complete knowledge of the preheating method of Johnson's machine, and quite apart from the question of abandonment by proceedings in the Patent Office, its laches began to run when it obtained knowledge of Johnson's preheating method and the purchase of these five machines from him between March and July, 1929.

Warth v. Johnson Interference 66,201.

This interference was really an ex parte proceeding and was not a bona fide interference. Obviously this Interference was ^{instituted} after Petitioner purchased the Johnson patent for the sole purpose of abrogating the right of respondent to use the machines it had purchased from Johnson in

the years 1928 and 1929. Respondent by the purchase of those machines from Johnson before the issue of his patent had acquired a license under the Statute Sec. 4899 to use those and its right could not be divested by any subsequent act on the part of Petitioner. Especially as Warth did not contend he invented the apparatus, *Keystone Type Foundry vs. Fastpress Co.*, 272 F. R. 243; *Dable Grain Shovel Company v. Flint*, 137 U. S. 41; *DeForest Radio Telephone Co. v. United States*, 273 U. S. 236.

Johnson's preliminary statement (p. 1765, Rec.) alleges a date of conception in the fall of 1925. No proof of the facts alleged therein are put in evidence, for, as pointed out at pages 7/8, *supra*, after the interference was declared, and a motion made by Warth to shift the burden of proof to obtain his filing date of January 7th, 1927 had been denied, the petitioner purchased the Johnson Patent and after its purchase the attorneys for both sides made a stipulated record found at pages 1615/27 of the Record which did not contain the preliminary statement of either party. Warth's preliminary statement is not in evidence. It was on that record that the Examiner of Interferences rendered a decision (p. 660, Rec.) reversing his prior holding and awarding priority to Warth.

Under Rule 94 of the Patent Office, petitioner could have and should have decided whether to take out the claims in the Warth application or retain the Johnson patent which it owned. **Instead of doing that, it made up the stipulated record, after its purchase of the Johnson patent, in order to obtain the filing date of Warth for the claims in issue which was prior to that of Johnson with the undoubted purpose of abrogating rights which respondent had acquired to the use of the Johnson machine by the purchase of such machines from Johnson.**

The District Court held that petitioner could not elect between the Johnson patent and the Warth application because it did not have title to the Johnson patent (p. 1801, Rec.). The record shows that petitioner did have title to the Johnson patent before the stipulated record was made up

because it purchased it on December 12th, 1933 and on the same day issued a license to Johnson saying petitioner was the owner of Johnson Patent 1,852,578 (pp. 923-925, Rec.).

Petitioner now contends (p. 32 of its brief) that Johnson derived his knowledge of the invention from Warth. The testimony of petitioner's witness McManus is that it was April or May, 1928 (p. 348, Rec.). Goebel said it was March or April (p. 375, Rec.) and another witness for petitioner, Volpe, said it was April or May (p. 360, Rec.). There was no contemporaneous documentary evidence offered substantiating any date. If it was either March or April, it is inconceivable that Johnson would sell a machine to the Armstrong Cork Co. on April 24th which did not have the pre-heating device, as appears from petitioner's Exhibit 37 (pp. 609/10, Rec.) previously referred to. It is that machine, the one sold to the Armstrong Cork Co. that Johnson fixed up in October, 1928, as appears from his testimony quoted on page 28 of this brief, *supra*.

Johnson was scrupulously careful of the rights of others and would not knowingly make a device or take any steps that would involve him in litigation as shown by petitioner's own Exhibit 37 (p. 609, a letter from Johnson to the Armstrong Cork Co.) which states in part on page 610:

"The price on the two machines together is \$1500., but I have heard that McManus claims to have a patent on sticking the tin foil to the corks with adhesive. * * * but I want to find out first as I do not want to infringe on anybody's patents.

"I could send you this machine with the understanding that if it should be patented I would have the right to call this machine back or if you would wait until I got the copy of the patent."

It will be noted that letter is dated April 24th, 1928. If the testimony of Goebel who said that Johnson's visit was in March or April, 1928, or Volpe, who said it was April or May, is correct, then the letter from which we have quoted

which is dated April 24th, 1928 indicates two things. The first is that Johnson has stated in his letter that he would not willingly appropriate anyone else's invention; and the second thing is that it renders petitioner's contention that Johnson derived knowledge of the preheating from petitioner utterly unfounded for it cannot be assumed that Johnson an experienced builder of assembling machines, would have shipped to the Armstrong Company in April, 1928 a machine which did not have the preheating device.

Petitioner in his brief having raised the question that Johnson, from whom respondent bought his machines, obtained his knowledge of the invention from a visit to petitioner's factory, it is only proper as bearing on the credibility of the witnesses for petitioner on that point and on their testimony bearing on the date of invention of the preheating method, to refer to the proceedings in the Patent Office showing the irregularity and misrepresentations made to the Patent Office by petitioner and the patentee Warth, and the concealment of material facts, not only in the two patents in controversy, but in some of the other patents upon which the suit was brought and which were held invalid by the Courts below.

One of the patents held invalid by both courts below is the Warth patent 1,899,783 which is for a bottle cap and method of producing same, the claims of which are for a center spot of hard varnished paper secured by gutta percha. Petitioner admitted in answer to interrogatories that it had been making caps with metal and paper center spots secured by gutta percha as early as 1917 (Int. 20; 27; 31/2; pp. 1589/91, Rec.). That is 12 years before application for that patent was filed. The record shows that in 1926 Warth filed an application for precisely the same thing, viz., Ser. 130,961, page 1731, Record and having the same disclosure and substantially the same claims as issued patent 1,899,783 (p. 1735/8, Rec.). That application was rejected by the Examiner as showing no invention over the art (pp. 1745/48,

Rec.) and the Board of Appeals affirmed that decision, page 1758, Record on the ground that the center spots were old and that "the use of elastic cement is, in our opinion, an obvious feature in attaching the disc". Apparently the Examiner who had charge of the application for patent 1,899,783 either overlooked the decision or at least he was not informed of the decision of the Board, for he granted the patent in spite of it. During the prosecution of that application, Warth made an affidavit in which he said, page 790, Record, after a statement of his difficulty in finding a suitable adhesive:

"The only adhesive available at the time having these characteristics, I found to be gutta percha, or a mixture of gutta percha and other materials, making the adhesive essentially gutta percha."

When called as a witness, Warth admitted and petitioner's witness Goebel said the use of gutta percha as an adhesive for center spots was discovered by a chemist named Daly about a year before Warth entered the employ of petitioner; pages 472/4 and page 368. See also page 409, Record.

As to the patent to Warth, 1,899,782 for strip material, it was clearly shown to be old and the court so found, page 1781, Record and no appeal taken therefrom. That patent was used as a basis for a license agreement among various paper manufacturers (p. 965, Rec.) not to sell any strip material adhesively coated to any manufacturer of center spot caps who was not a licensee under the license agreement made with petitioner previously referred to found at (pp. 1597/1603, Rec.).

As to the heat and pressure patents, the method was disclosed in the abandoned application of Warth found at page 1737, Record, in which, after describing the affixing of the center spot to the cork disc by heat and pressure, he said:

"It is noted that apparatus for cutting and assembling spot centers is known in the art."

POINT III.

The law applicable to re-issues and divisional applications.

We beg to refer to the language of this Court in *Webster Co. v. Splitdorf Co.* and particularly to the last sentence which is as follows (p. 471) :

“In other words, we follow in that respect the analogy furnished by the patent re-issue cases.”

It will be readily seen that *Chapman v. Wintroath* which involved a divisional application only has no application to the facts in this Record for the reason that in *Chapman v. Wintroath* the parent case had not issued when the divisional case was filed as in the case at bar. Furthermore, in *Chapman v. Wintroath* the unclaimed disclosure of the subject matter of the claims was for the same invention, and there had been no voluntary cancellation of the subject matter of the divisional patent in order to obtain a patent. In the case at bar the disclosure relied on was in an application for an entirely different invention, viz., strip material, an article of manufacture, and no method claims of any kind were ever made in that application.

Divisional applications are not expressly sanctioned by the Statute. The practice of filing such applications is merely a matter of expediency, authorized by the Rules of Practice of the Patent Office (Rule 41) sanctioned by this Court in *Steinmetz vs. Allen*, 192 U. S., 543 (and other courts), and generally recognized by those dealing with patents. It might be said that the filing of divisional applications has been legalized by custom.

The practice in the Patent Office for many years has been to permit the filing of a divisional application at any time prior to the issuance of a patent upon the parent application.

When a patent has once issued, however, any correction or alteration therein must be by re-issue (R. S. 4916), otherwise

it must be dealt with strictly in accordance with the Statutes provided for this purpose.

This long established Patent Office practice was modified by the decision of the Court of Appeals of the District of Columbia in *Rowntree vs. Sloan*, 45 App. D. C. 207, which held that an inventor, during the pendency of his application, could not assert a claim for subject matter disclosed in said pending application in a divisional application if he neglected to file such divisional application within one year from the granting of a patent to a third party, abandonment by laches being presumed because of the delay in asserting the claim.

In *Chapman vs. Wintroath*, 252 U. S. 126, this Court held that while an inventor might lose his rights to assert a claim by a delay in filing a division of a pending application, (the basis of the decision in *Rowntree vs. Sloan*) there was nothing in the Statutes to justify a fixed time of one year, and that by analogy to the two year public use and two year publication specified in R. S. 4886, a delay of two years was not such an unreasonable delay as would bar an inventor from asserting a claim derived from a patent issued to a third party.

In *Webster vs. Splitdorf*, 264 U. S. 463, the decision in the *Wintroath* case was amplified by an analogy with re-issue cases in which a broadened re-issue must be applied for within two years from the grant of the patent except where a further delay is accounted for and caused by special circumstances which show it to have been not unreasonable. See last paragraph of the decision on page 471.

We understand the settled law in re-issue cases to be that applications therefor, in the absence of special circumstances, must be made within two years from the date of issue and that any bona fide intervening rights bar the same no matter when acquired. *Ives vs. Sargent*, 119 U. S. 652; *Coon vs. Wilson*, 113 U. S. 268 at 276-7. That is, a patent may not be validly re-issued if said re-issue makes that unlawful which was previously lawful. *Coon vs. Wilson, supra*.

In the *Wintroath* case, in the *Webster vs. Splitdorf* case and in various reported decisions following these cases, the divisional application was always carved from a *pending application* for the same invention and the delay was predicated upon a patent issued to an independent inventor during the pendency of the original application and prior to the filing of the divisional application.

In the case at bar patent 1,788,260, the original parent patent, the date of which is sought by plaintiff, had *issued more than two years prior* to the filing date of the application for 1,967,195, the "preheating" patent. The Johnson patent had issued approximately one year prior to the filing of said preheating application, to say nothing of other rights which had intervened set forth at pages 26 *et seq. supra*.

The analogy between a divisional application filed during the pendency of its parent application for the purpose of interference with a patent issued to a third party, and a re-issue application can readily be understood, but it is thought that this analogy is even greater, where, coupled with the issuance of a patent to an independent inventor, there has been an actual grant of a patent upon the original application upon which a divisional application is alleged to be based, because under such circumstances the divisional application is subject not only to the infirmities of an application carved from a pending application, but all those based upon the record of the proceedings in the Patent Office showing the limitations imposed by the Commissioner of Patents, and acquiesced in by the inventor as a condition precedent to the grant of the patent from which the divisional application is carved.

Unquestionably the effect of the claims in patent 1,967,195, was to make unlawful that which previously had been lawful to respondent, namely, the use of machines purchased in good faith from Johnson, or the use of the preheating method in any manner. Obviously, petitioner could not have accomplished this by re-issue of 1,788,260 (quite apart from the rule that a claim cancelled to obtain a patent may

not be reinstated by re-issue, or at all, *James vs. Campbell, supra*) because of the principles in regard to re-issue patents laid down in the cases previously cited herein.

It is apparent that Warth, or rather his assignee, is endeavoring to take advantage of the liberal attitude of the courts towards divisional applications to accomplish something which he would not be permitted to do by re-issue.

We submit, therefore, that the resemblance between the instant case and the reissue cases is marked, and much closer than that disclosed by the facts in *Webster v. Splitdorf, Chapman v. Wintroath*, or any of the other cases referred to in petitioner's brief. This would be so even if the application for patent No. 1,967,195 had been a true divisional application which as we have shown at pages 14/16 *et seq. supra*, it is not.

Without questioning the propriety of the statement in *Chapman vs. Wintroath*, appearing at page 137 of the report, quoted on page 14 of petitioner's brief, it should also be noted that this Court stated in *James vs. Campbell, supra*, referring to the conditions sought to be avoided by the filing of re-issue applications in lieu of new applications:

"Patentees avoid doing this (filing a new application) when they can, and seek to embrace additional matters in a reissue, in order to supersede and get possession of the rights which the public, by lapse of time or other cause, have acquired in the meantime."

And also in *Leggett vs. Avery*, 101 U. S. 256,

"The allowance of claims once formally abandoned by the applicant, in order to get his letters-patent through, is the occasion of immense frauds against the public."

POINT IV.**There is no proof of infringement of reissue 19,117 by respondent.**

There is no proof in the record that respondent ever made a cap by the heated plunger (reissue patent) nor is there any reference in petitioner's brief to such evidence. The only testimony as to infringement is that of the visit of petitioner's officers to respondent's plant in 1933 when it saw respondent using a method involving preheating the cork.

There is an argument by petitioner that the claims of reissue 19,117 should be construed broadly enough to cover both methods of heating. It is thought unnecessary to discuss that question because the proceedings in the Patent Office, the prior art and petitioner's slide machine referred to at the end of the brief show that if there is any invention at all in reissue 19,117, the claims must be limited as correctly held by the Circuit Court of Appeals to the application of heat and pressure by a **heated cutting plunger and this alone.**

On pages 27 and 28 of petitioner's brief we find the following statement which is emphasized by Italics:

"since the heated punch was not part of his original disclosure and was added to the application disclosure during the prosecution of the application merely as an example of a way 'to utilize at the time of assembly, both heat and pressure.' In re Dilg, 25 App. D. C. 9, 11."

This statement is clearly incorrect and not supported by the record. On the contrary the original application as filed (before the drawing was inserted) described a *heated plunger*. That there may be no doubt on the point, we quote from the original application as filed (p. 1246, Rec.):

"In carrying out the invention according to what is now considered the best practice the coating will be softened by heat after the crown is assembled. This may be accomplished in any suitable manner, as by a heated plunger or a plunger and heated table. The heat softens the coating and renders it adhesive and the pressure serves to unite the metal foil spot to the cork."

The argument of petitioner, however, overlooks the fact that claim 1 of the re-issue was only allowed over the art after repeated rejections by the Primary Examiner. The prior art showing no invention is referred to at pages *infra*, of the brief. Petitioner in order to obtain any patent at all voluntarily cancelled the description and claims for the preheating step. It is elementary and held by numerous decisions of this Court, typified by the case of *I. T. S. Rubber Co. v. Essex*, 272 U. S. page 429 that when an applicant for a patent cancels matter in the Patent Office he cannot in a suit for infringement have a construction of a claim which would include the cancelled matter. 47-53

Petitioner cited several cases on pages 24/5 of its brief to the effect that a belief in the scope of its issued claims excuses it for not claiming the preheating method sooner. This Court has held that such belief on the part of a patentee is no excuse.

Wollensak v. Sargeant, 151 U. S. 221 and cases cited;

McClain v. Ortmyer, 141 U. S. 419.

The case of *Radio Condenser Co. v. Coe*, Court of Appeals, District of Columbia, 75 F. R. (2d) 523, is to the same effect.

The record clearly shows that, as found by the Circuit Court of Appeals, (p. 1835/6, Rec.) respondent always used a cold cutting plunger (p. 216/7 and ~~288~~, Rec.). 282

Briefly stated, the evidence for respondent shows that in the latter part of December, 1924 and between January and March, 1925 it made and sold upwards of 300,000 caps with center spots secured by gutta percha. They were made on

what is known as a Clark-Johnson assembling machine, which is a machine covered by patent No. 1,134,031 found at page 1508/14, and is for fastening the cork cushion disc into the metal shell. Benno Cohn, secretary and production manager of respondent company and Charles H. Rasmussen its superintendent testified respectively that they removed from the old Clark-Johnson machine the device which had formerly been used for cutting out a paper collett (placed between the metal shell and the cork disc) and substituted therefor a device for cutting out the spots and preheated the metal shells with the cork discs therein before the center spot was applied, pages 208/10; 279/81, Record. The reason that only some 300,000 caps were made was that the Inecto Co., a manufacturer of hair dyes, for whom these caps were manufactured by respondent, decided that the gutta percha might be deleterious to the substance it used in its hair dye and went back to the style of cap respondent had previously made for it and has been making for it since, viz., a metal center spot flanged into the cork (pp. 182/3, Rec.) made like those shown in the Nielson patent (No. 1,195,392, Figs. 13 and 15, p. 1648, Rec.) *infra*.

January to The officers of the Inecto Co. corroborated Cohn and Rasmussen on this point. Original bills from respondent to the Inecto Co. running from March, 1925 were produced and identified by officers of that company, pages 179/82, Record, Exhibits CC to GG, page 926; JJ to LL, pages 929/35. The people who sold the gutta percha to respondent and the people who furnished the tinfoil and mounted the gutta percha on it for making caps on the dates mentioned, were called and identified invoices for both foil and gutta percha dated December, 1924 and January; February and March, 1925, pages 153/5; 187/90; 191/5. The bills are in evidence, (Exs. OO to ZZ, pp. 939/95, Rec.). Cohn and Rasmussen both testified that they used a cold plunger for cutting the center spot and never, at that time or any time subsequently used a heated plunger (p. 216/17 and 282, Rec.).

The District Court found as a fact that such caps were made and sold. The Court also said, page 1781, Rec.:

"it does show that the use of gutta percha and metal for spotting strips was known to the art."

The Court of Appeals, however, in reversing the District Court, on the question of infringement, said in its opinion, page 1835, Record:

"the defendant does not infringe, for the defendant uses a cold cutting punch which positions the spot on a cork disc previously heated sufficiently to cause the spot to adhere while the cap is carried to the next stage, where a hot plunger applies heat and pressure."

While the Court of Appeals did not say anything about that prior use by defendant, it clearly adopted it and adopted the testimony of respondent's witnesses to the effect that respondent always used a cold cutting punch and never used the heated plunger shown, described and claimed in the "heated plunger patent" (Reissue 19,117).

POINT V.

Both of the method patents are invalid over the prior art.

Respondent has contended in both the lower courts from the beginning of the suit that both of the method patents are invalid over the prior art.

Respondent again urges in this Court the invalidity over the art of both of these method patents.

This Court held in the case of *Stelos v. Hosiery Motor-Mend Corp. et al.*, 295 U. S. 237 that the respondent as a ground for sustaining a judgment in its favor is entitled to reassert a defense made in, but not accepted by, the Court of Appeals and that respondent need not make a cross application for a writ for this purpose.

In any event the history of the art is vitally necessary as it is elementary that the claims of a patent must be construed in the light of the art shown by the record. In the case at bar, petitioner's whole case hinges largely upon the construction to be placed upon the claims in the re-issue patent as well as upon Patent No. 1,967,195.

The crown cap is a metal shell having a disk therein of either composition or natural cork. The Record shows that the metal shell with the cork disk and secured to the metal shell by means of a heat fusible adhesive subjected to heat and pressure were old as far back as the Painter Patent of 1892 No. 468,226, page 4, lines 11-108-128 (p. 1502, Rec.).

The patent to Painter No. 792,284 (p. 1234, Rec.) June 13th, 1905, p. 1, lines 11-47-56 and the patent to Wheeler No. 887,883 (p. 1216, Rec.) dated May 19th, 1908, shows the same thing.

Another patent to Painter No. 887,838 (p. 1227, Rec.) dated May 19, 1908 (cited as showing the state of the art) states at page 1, lines 16, *et seq.*,

"then properly heating the cap, gasket and said medium and meantime subjecting the whole to appropriate pressure and while still under such pressure, cooling the completed closure."

27 to 35 The McManus patent No. 1,339,066 (p. 530, Rec.) (one of the patents upon which suit was brought and held invalid by the Circuit Court of Appeals over the art) states (p. 2, lines ~~220 to 225~~) that the method of securing the cork lining to the metal shell with a fusible binding material and heat and pressure is old. In fact, the District Court so found (p. 1771/2, Rec.).

It would seem obvious and not to amount to invention when the prior art shows the securing of a cork disk to a metal shell by a fusible binding medium with heat and pressure to apply the same method to applying a center spot to a cork disk. This is particularly so when it is considered that the Record shows that center spots *per se* secured by

some sort of adhesive were old long prior to the filing of the application of either of the patents in suit.

The British patent to Demuth No. 16,075 (p. 1628/30, Rec.) effective date July 8th, 1914 shows a crown type cap having a cork cushion disk and a center spot of metallic foil or light, thin liquid resisting material *cemented* to the central portion of the cushion disk.

The use of a metal foil or strip from which the spots are cut, coated with a heat fusible adhesive is concededly old. One of the patents included in the six upon which the suit was originally brought is a patent to Warth No. 1,899,782, the claims of which are for strip material from which center spots are cut. The District Court found this patent invalid over the art and petitioner conceded its invalidity by failing to appeal from the decree holding it invalid.

Yet as pointed out on pages 10/11 *supra* of the brief, the use of such a strip is the primary concept of the method covered by patent 1,788,260 (the original of the reissue.)

The patent to Alberti No. 1,199,026 dated Sept. 19th, 1916 (p. 1022, Rec.) states at lines 35 to 43, page 2 referring to the adhesive material.

"or it may be carried by a layer of fibrous material that is to be interposed between the two disks * * *, the entire closure being put, if necessary, under pressure and heated, whereby the cementing medium is coagulated, holding thus the metallic disk in place."

Referring again to the McManus Patent No. 1,339,066 (held invalid) that patent states (p. 2, ll. 20 to 35) *and 73-84* that the center spot is secured to the cork disk by the use of a fusible binding medium interposed between the cap and the disk *and set in a manner to unite the parts by the application of heat and pressure simultaneously or successively.* (lines 33-34)

Warth, the patentee of both the patents in controversy, himself admits that the use of heat and pressure for securing a center spot to the cork disk or cushion by means of a thermoplastic adhesive is old.

Warth filed an application for patent on Bottle Caps on August 21st, 1926. The Serial No. was 130,631 and it is found at page 1731, Record. That application states (p. 1737) :

"This paper disk is then secured to the cork disk by means of a backing 16 of some elastic and adhesive tissue, e.g., gutta percha **by means of a heated plunger or the like.** By so applying heat and pressure to the assembled cork and paper disks, the gutta percha or like backing is rendered adhesive and the paper spot is firmly cemented to the cork. **In this connection, it is noted that apparatus for cutting and assembling spot centers is known in the art.**"

The claims in that application 130,631 were directed to a bottle cap having a center spot secured by gutta percha. The claims were rejected on the art by the Primary Examiner. His action was affirmed by the Board of Appeals and the application became abandoned.

The application for patent No. 1,967,195 (the preheating patent) became involved in interference with Johnson patent No. 1,852,578 (Interference No. 66,201) referred to on page 36 *et seq.*, *supra*, and the Examiner of Interference in a decision in that interference stated (p. 663, Rec.) :

"Attention has been called to the patents to McManus #1,402,780 and Alberti 1,401,300, showing machines for this purpose. In these machines the caps are passed intermittently in single file beneath a reciprocating punch, which cuts the metal foil disk from a strip and deposits it upon the cork pad. **The caps then pass to an immediately adjacent heated plunger which applies sufficient heat and pressure to complete the union.** It was agreed by both parties at the hearing that machines of this character were used commercially prior to 1927 and that they operated at high speed."

It may be noted here that, stripped of all technical terminology, the essence of the claims of both the patents in controversy are for a *method* only of cutting a center spot from

a strip of thermoplastically coated material (concededly old) and sticking or adhering it to the cork disk by means of heat and pressure also concededly old and by apparatus also concededly old.

The re-issue or heated plunger patent describes and claims a method whereby the heat is supplied by the cutting plunger. The alleged divisional or preheating method patent obtains the heat necessary for initially adhering the spot by heating the cork first so as to obtain the necessary heat for softening the gutta percha sufficiently to cause it to adhere and later applying heat and pressure.

In addition to the art we have referred to, petitioner itself produced a witness by the name of Goebel, its Plant Engineer and Superintendent, who produced drawings of and described a machine for putting center spots coated with gutta percha on cork disks in crown caps as far back as 1915 or 1916. This machine was termed the "slide machine". A drawing of it was produced (Ex. 43) (p. 612² Rec.) and put in evidence by petitioner (p. 370, Rec.). That machine concededly operated slowly, but, nevertheless, it showed two strips of a material, one of tin foil and the other of gutta percha, from which the center spots were cut out and applied by heat and pressure to the cork disk. In speaking of this machine, the Court of Appeals said (p. 1836, Rec.):

"To read the claims of the re-issue patent to mean a cold punch to cut the spot and a hot plunger applied later to fasten it to the cork disk would make them invalid under the old slide machine * * *."

Petitioner in its brief criticizes this decision of the Court of Appeals and seeks to differentiate the old slide machine on the ground that it does not show the application of heat and pressure and has made an elaborate statement on page 41 of the appendix to its brief attempting to differentiate the machine. However, we think a complete answer to this description is found in petitioner's own Exhibit 44 (p. 613,

Rec.) from the head of petitioner's engineering department which states in part:

"A crown has now come into position under the Plunger and Heater 'H' which has moved into position relative to applying the spot to the crown. This is accomplished by the action of the pump 'B', which on its return stroke blows the spot from its position in the Heater on to the Crown *which is then pressed on to the cork in the crown by the Heater Plunger.* This completes the cycle of operations necessary for applying the Tin Foil Spot to the assembled #1 Crown."

The District Court in discussing that slide machine said (p. 1790, Rec.):

"The pressure of this heated punch caused the gutta percha to stick to the cork and also to the foil spot."

It is submitted that in view of the art and petitioner's slide machine there can be no invention in the claims of either of the two method patents involved in this appeal under the decisions of this Court in the following cases:

Altoona Theatres v. Tri-Ergon Corp., 294 U. S. 477;
Powers-Kennedy Contracting Corp. v. Concrete Mixing & Conveying Co., 282 U. S. 175;
Thomson Spot Welder Co. v. Ford Motor Co., 265 U. S. 445.

The Court's attention is directed to the fact that all the claims in the two patents in controversy are for a mere function of a machine and call for the method of applying heat and pressure to a center spot cut from a strip of adhesively coated material to cause the spot to adhere to the cork. No particular amount of heat and no particular amount of pressure is specified. It would seem as though the Court could take judicial notice of the well known fact that when it is desired to stick one material to another by means of gutta percha, the gutta percha must be softened by heat and pressed on to some material.

The patent to Farrell No. 1,358,834 (p. 1135, Rec.) issued November 16th, 1920 (p. 1, ll. 74-88) shows the use of gutta percha as an adhesive for use on strips of paper or tapes, etc. and the application of same by heat and pressure.

The whole proposition is really an apparatus or machinery proposition. The speed and rate of production of caps is governed by the machinery employed. The District Court found (p. 1791, Rec.):

"The defendant's Cohn and Johnson machines are different from plaintiff's, but that machinery operates in accordance with the Warth method, and that defendant has not been able to equal plaintiff's high rate of production is no defense."

If the claims in the patents in controversy are sustained, then it will be impossible for anyone who constructs a greatly improved machine and gets an even higher rate of production than that obtained by petitioner's machines to use such improved apparatus.

It would seem that the following authorities holding that there can be no invention in the function of a machine are peculiarly applicable here.

Westinghouse v. Boyden Power Brake Co., 170 U. S. 537 at pages 555-8;

DeForest Radio Co. v. General Electric Co., 283 U. S. 664, pages 682-4;

E. Van Norden Co. v. Cheney, 75 Fed. 298 (C. C. A. 1) at page 302;

Directplate v. Donaldson Lith. Co., 51 F. R. (2d) 199.

IN CONCLUSION.

Petitioner's argument as to the validity of Patent No. 1,967,195, is based upon the rule announced in *Chapman vs. Wintroath*, as construed in *Webster vs. Splitdorf*, that a divisional application may be filed for the purpose of getting

into interference with a patent issued to a third party, at any time within two years of the issue of said adverse patent; and upon the contention that the claims contained in Patent No. 1,788,260, as issued, now reissue Patent No. 19,117, were of a scope to cover the matter claimed in the alleged division, No. 1,967,195, and if not that at least Warth believed they were, and was thus absolved from any imputation of laches.

As to Re-issue Patent 19,117, briefly, petitioner bases its claim of infringement upon the same contention, that it uses as an excuse for laches, namely that the claims cover the preheating step.

The complete answer to the argument is that in the *Chapman* and *Webster* cases and in all of the numerous decisions based thereon the parent patent had not issued, and the time within which to file a divisional application was computed from the date of the adverse patent and the subject of the inventions had not been cancelled. In the instant case the applications relied upon for continuity of disclosure were not true divisional applications as we have shown, *supra*, but that fact aside, the issuance of the parent patent makes applicable the strict rules in regard to re-issues rather than the more liberal rule in regard to divisional applications. Warth having waited more than two years to file his alleged second divisional application is confronted with the fact the parent application is a "printed publication" within the meaning of the statute. *Ludlum Steel Co. vs. Terry*, 37 Fed. (2) 153 at 165; *Milburn Co. vs. Davis*, 270 U. S. 390 at 402. Quite apart from authority it is obvious that the file wrapper of an allowed application being open to the public is notice of its contents.

The decision of the Circuit Court of Appeals should be affirmed on account of the foregoing and also for the following reasons:

1. Warth's conduct in voluntarily cancelling the preheating disclosure and claims broad enough to cover same from

his parent application and allowing the patent to issue without any reference to preheating before filing claims for the alleged invention in the later application amounts to abandonment in fact as found by the Court of Appeals.

2. His failure to take action to protect his alleged invention for more than four years after the purchase by Petitioner of machines from Johnson and more than two years after Respondent wrote to Petitioner concerning charges it was violating Petitioner's patent rights.

3. Because the two patents before the Court are completely void in view of the prior art.

4. As to non-infringement, the court below should be affirmed upon the grounds so concisely and cogently stated in its own opinion (Rec., pp. 1834-5).

Respectfully submitted,

WILLIAM E. WARLAND,
FRANCIS H. WARLAND,
NATHANIEL L. LEEK,

Counsel for Defendant-Respondent.

APPENDIX.**Patent Office Rules:**

35. The specification must set forth the precise invention for which a patent is solicited, and explain the principle thereof, and the best mode in which the applicant has contemplated applying that principle, in such manner as to distinguish it from other inventions.

36. In case of a mere improvement, the specification must particularly point out the parts to which the improvement relates, and must by explicit language distinguish between what is old and what is claimed as new; and the description and the drawings, as well as the claims, should be confined to the specific improvement and such parts as necessarily cooperate with it.

37. The specification must conclude with a specific and distinct claim or claims of the part, improvement, or combination which the applicant regards as his invention or discovery.

41. Two or more independent inventions can not be claimed in one application; but where several distinct inventions are dependent upon each other and mutually contribute to produce a single result they may be claimed in one application; *Provided*, That more than one species of an invention, not to exceed three, may be claimed in one application if that application also includes an allowable claim generic to all the claimed species. In the first action on an application containing a generic claim or claims and claims to more than one species thereunder the examiner, if he is of the opinion after a complete search that no generic claim presented is allowable, shall require the applicant in his response to that action to elect that species of his invention to which his claims shall be restricted if no generic claim is finally held allowable.

43. When an applicant files two or more applications relating to the same subject matter of invention, all showing but only one claiming the same thing, the applications not claiming it must contain references to the application claiming it.

93. An interference is a proceeding instituted for the purpose of determining the question of priority of invention between two or more parties claiming substantially the same patentable invention and may be instituted as soon as it is determined that common patentable subject matter is claimed in a plurality of applications or in an application and a patent. In order to ascertain whether any question of priority arises the Commissioner may call upon any junior applicant to state in writing under oath the date and the character of the earliest fact or act, susceptible of proof, which will be relied upon to establish conception of the invention under consideration. The sworn statement filed in compliance with this rule will be retained by the Patent Office separate from the application file and if an interference is declared will be opened simultaneously with the preliminary statement of the party filing the same. In case the junior applicant makes no reply within the time specified, not less than twenty days, the Commissioner will proceed upon the assumption that the said date is the date of the oath attached to the application. The fact that one of the parties has already obtained a patent will not prevent an interference, for, although the Commissioner has no power to cancel a patent, he may grant another patent for the same invention to a person who proves to be the prior inventor.

94. Interferences will be declared between applications by different parties for patent or for reissue when such applications contain claims for substantially the same invention which are allowable in the application of each party, and interferences will also be declared between applications for patent, or for re-issue, and unexpired original or re-issued patents, of different parties, when such applications and patents contain claims for substantially the same invention which are allowable in all of the applications involved: *Pro-*

vided, That where the filing date of any applicant is subsequent to the filing date of any patentee, the applicant shall file an affidavit that he made the invention in controversy before the filing date of the patentee.

Where claims are copied from a patent and the examiner is of the opinion that the applicant can make only some of the claims so copied, he shall notify the applicant to that effect, state why he is of the opinion he cannot make the other claims and state further that the interference will be promptly declared and that the applicant may proceed under rule 109, if he further desires to contest his right to make the claims not included in the declaration of the interference.

Where an applicant presents a claim copied or substantially copied from a patent, he must identify the patent, give the number of the patented claim, and specifically apply the terms of the copied claim to his own disclosure.

An amendment containing a claim copied from a patent granted more than two years prior to the filing of such amendment shall not be entered unless it be accompanied by a statement specifically pointing out the claim or claims upon which the applicant relies to show that he was claiming the subject matter of the copied claim or claims within two years from the date of the patent.

Parties owning applications or patents which contain conflicting claims will be required to show cause why these claims shall not be eliminated from all but one of the applications or patents of common ownership.

U. S. Revised Statutes:

Sec. 4899. (U. S. C., title 35; sec. 48.) Every person who purchases of the inventor or discoverer, or, with his knowledge and consent, constructs any newly invented or discovered machine, or other patentable article, prior to the application by the inventor or discoverer for a patent, or who sells or uses one so constructed, shall have the right to use, and vend to others to be used, the specific thing so made or purchased, without liability therefor.

Sec. 4916. (U. S. C., title 35, sec. 64.) Whenever any patent is wholly or partly inoperative or invalid, by reason of a defective or insufficient specification, or by reason of the patentee claiming as his own invention or discovery more than he had a right to claim as new, if the error has arisen by inadvertence, accident, or mistake, and without any fraudulent or deceptive intention, the commissioner shall, on the surrender of such patent and the payment of the duty required by law, cause a patent for the same invention, and in accordance with the corrected specification, to be reissued to the patentee or to his assigns or legal representatives, for the unexpired part of the term of the original patent. Such surrender shall take effect upon the issue of the reissued patent, but in so far as the claims of the original and reissued patents are identical, such surrender shall not affect any action then pending nor abate any cause of action then existing, and the reissued patent to the extent that its claims are identical with the original patent shall constitute a continuation thereof and have effect continuously from the date of the original patent. The commissioner may, in his discretion, cause several patents to be issued for distinct and separate parts of the thing patented, upon demand of the applicant, and upon payment of the required fee for a reissue for each of such reissued letters patent. The specifications and claims in every such case shall be subject to revision and restriction in the same manner as original applications are. Every patent so reissued, together with the corrected specifications, shall have the same effect and operation in law, on the trial of all actions for causes thereafter arising, as if the same had been originally filed in such corrected form; but no new matter shall be introduced into the specification, nor in the case of a machine patent shall the model or drawings be amended, except each by the other; but when there is neither model nor drawing, amendments may be made upon proof satisfactory to the commissioner that such new matter or amendment was a part of the original invention, and was omitted from the specification by inadvertence, accident, or mistake, as aforesaid.